

VZCZCXRO4824
OO RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHKL #0604/01 1931124
ZNY CCCCC ZZH
O 111124Z JUL 08
FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1335
INFO RHEHNSC/NSC WASHDC IMMEDIATE
RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RHHMUNA/USCINCPAC HONOLULU HI PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KUALA LUMPUR 000604

SIPDIS

FOR EAP/MTS AND INR

E.O. 12958: DECL: 07/11/2018
TAGS: [PGOV](#) [PINR](#) [KDEM](#) [MY](#)
SUBJECT: ABDULLAH CONFIRMS 2010 HAND-OVER TO HELP SECURE
PARTY ELECTION IN DECEMBER

Classified By: Political Section Chief Mark D. Clark, reason 1.4 (b and

Summary

11. (C) PM Abdullah announced on July 10 his intention to step down as Prime Minister and United Malays National Organization (UMNO) president in June 2010 and hand over power to his deputy Najib Tun Razak. Abdullah and Najib will seek re-election in the December 2008 party polls as part of this plan. Abdullah said he would use the two-year transition period to restore the people's confidence in UMNO and the ruling National Front (BN) coalition, and complete the reforms he had announced earlier. Some UMNO party veterans expressed disappointment with the long transition for the unpopular Abdullah, while others objected to the undemocratic anointment of Najib as the next party president. Abdullah's announcement came as UMNO branches prepare to begin the party election process, and clearly was intended to help neutralize challengers, including Najib, for the party leadership slot. The UMNO grassroots will have the opportunity in the next few weeks to signal whether they acquiesce to Abdullah's plan. The reaction of senior UMNO figures who lose in this deal, like Tengku Razaleigh and UMNO vice president Muhyiddin, also will be important to gauge. End Summary.

PM Abdullah to step down in mid 2010

12. (U) UMNO President and PM Abdullah announced on July 10 he will step down as Prime Minister in June 2010 and hand over power to his deputy Najib Tun Razak. He also will relinquish his positions as president of United Malay National Organization (UMNO) and as chairman of the ruling Barisan Nasional coalition to Najib. The PM added that he would not lead BN into the next general election, which has to be held by May 2013, as at that time the country would have Najib as its new Prime Minister. At a press conference after chairing the UMNO Supreme Council and a briefing to around 1,000 UMNO grassroots leaders, Abdullah added that he would defend his UMNO President's post, with Najib as his running mate, at the national party elections scheduled in December.

13. (U) Abdullah stated at the press conference that during the two-year transition process, he would consolidate and restore the people's confidence in UMNO and BN. The PM also stated that he chose the time frame to ensure he will be able to implement the programs outlined in the Ninth Malaysian Plan (2006-2010), particularly hardcore poverty eradication and the judicial reforms he had earlier announced. The Prime Minister noted that he would give Najib more tasks and duties to prepare him for the leadership take-over and to face the next general

election.

14. (SBU) Abdullah told reporters that UMNO grassroots leaders at the July 10 closed-door briefing had welcomed his transition proposal. One Johor UMNO delegate who spoke with us said those attending the briefing applauded the Prime Minister's announcement as they had no choice, in the meeting at least, particularly given Najib's acceptance of the deal. The UMNO delegate clarified that the UMNO Supreme Council had not precluded a contest for the top two slots (a decision the Supreme Council has taken in certain past elections). It remained to be seen whether branches and divisions would fully support the transition deal, or endorse other nominations.

Najib: Plan in Keeping with UMNO Tradition

15. (SBU) Standing beside Abdullah at the press conference, Najib expressed his gratitude and reiterated his loyalty to Abdullah. The DPM described the transition as in accordance with UMNO's tradition, and hoped that UMNO grassroots would accept and support the plan. One UMNO divisional leader told us that Najib knew that many grassroots leaders were not happy with the deal, but Najib had explained he had never challenged the party president before and was not about to change that record.

Varied Reactions

16. (SBU) PM Abdullah supporters in the UMNO Supreme

KUALA LUMP 00000604 002 OF 002

Council echoed Najib's view that the transition announcement was in keeping with UMNO party tradition. Party Information Chief Muhammad Taib stated that the plan was the best way to strengthen UMNO, particularly as history has shown that a contest for top posts will only divide the party. Youth Chief and Najib's cousin Hishamuddin and Deputy Youth Chief and Abdullah's ambitious son-in-law Khairy Jamaluddin both stated that the transition plan will help unite the party and enable BN to concentrate on fulfilling its election promises. UMNO Women's Chief Rafidah said, with support for the transition plan, party leaders could focus on tackling the challenges arising out of current global economic problems.

17. (SBU) Not all UMNO leaders rushed to endorse Abdullah's hand-over plan. Veteran UMNO leader Tengku Razaleigh Hamzah, who has been campaigning for the party presidency, described the transition plan as a "wrong move" and "unconstitutional." Razaleigh claimed he was confident of getting sufficient nominations to contest the presidency as he would now attract the support of those who previously backed Najib to oust Abdullah. Three-term UMNO Vice President and Minister of International Trade and Industry Muhyiddin Yassin, who aspires to the deputy president slot, voiced disappointment with the transition plan describing it to reporters as "too long." Previously, Muhyiddin publicly urged Abdullah to step down sooner rather than later. Muhyiddin stated categorically that the decision on the transition should be left to UMNO members during the branch and division meetings, hinting that the deal may not be acceptable to the UMNO grassroots. Stirring the pot, Former Prime Minister Mahathir, now a strong critic of Abdullah, took exception to the transition plan and predicted that in the end Abdullah would not allow Najib to become Prime Minister. Writing in his blog, Dr. Mahathir said Najib would be purposefully weakened by damaging allegations, so much so that Najib would no longer appear suitable for office.

18. (C) Some party activists took exception to the autocratic nature of Abdullah's pronouncement. John Pang, an advisor to Tengku Razaleigh, described Abdullah's plan

as arrogant and undemocratic. He told us that the "feudal culture in UMNO in directing the grassroots" is destroying the party. In support of Razaleigh's statement (and political ambitions), Pang claimed that Najib's supporters were "ravidly" unhappy with the transition deal.

Comment

19. (C) Abdullah's announcement was clearly timed to influence the UMNO grassroots immediately prior to party branch meetings, scheduled for 17 through August 24, which start the nomination process for the top UMNO posts. Following the party's unprecedented set-back in the March general elections, Abdullah has come under pressure to resign in favor of Najib or not seek party reelection in December. By confirming a hand-over date and Najib as his successor, Abdullah hopes to cement his reelection bid and head off any grassroots mobilization in favor of challengers, including Najib, Muhyiddin, and Razaleigh. Currently, Najib is in no position to reject Abdullah's proposal, given Najib's vulnerability to unconfirmed but widely believed allegations of his connection to the Altantuya murder case. The UMNO grassroots will have the opportunity in the next few weeks to signal whether they acquiesce to Abdullah's plan. The reaction of senior UMNO figures who lose in this deal, like Tengku Razaleigh and UMNO vice president Muhyiddin, also will be important to gauge.

KEITH